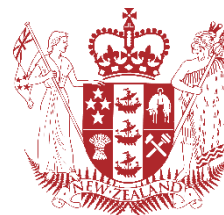


# Hon Phil Twyford

Minister for Housing and Urban Development



## Phil Goff

Mayor of Auckland



13 November 2018

**MEDIA STATEMENT**

## Major infrastructure partnership for North Auckland

Minister of Housing and Urban Development Phil Twyford and Auckland Mayor Phil Goff today announced a partnership that will fund \$91 million of roading and wastewater infrastructure to support the building of 9000 homes at Wainui, north of Auckland.

The Government Special Purpose Vehicle (SPV) has been created in partnership with Auckland Council, Crown Infrastructure Partners and Fulton Hogan Land Development.

Phil Twyford said the Milldale project demonstrates an approach to funding that allows private investment in new infrastructure with the debt sitting on a balance sheet that is neither the Council's or the Government's.

"The Milldale project is an example of the innovative new approaches to financing infrastructure that the Government is developing through the Urban Growth Agenda. This funding model can be used in other high growth areas affected by the housing crisis to help more houses to be built more quickly.

"This could include private investment in infrastructure funded by a charge on the properties that benefit from the infrastructure.

"This new infrastructure funding model will result in a large number of homes being built much sooner than otherwise would have been the case.

"One of the major road blocks to our towns and cities growing is the lack of ready access to finance for the infrastructure that allows for new urban growth, for green or brownfields developments," Phil Twyford said.

Phil Goff said Milldale will be a great place for Aucklanders keen to live in a new modern eco-friendly environment connected to the rapid transport network.

"A key priority for us in Auckland is to address the shortage and unaffordability of houses in our city," Phil Goff said.

“We’ve zoned much more land for housing, but we need the infrastructure before we can build on it.

“Using Crown Infrastructure Partners to fund that infrastructure enables us to build roads, water and wastewater services without overburdening Council with debt and exceeding our debt to revenue ratio.

“We can build more homes sooner and tackle the housing crisis quicker than would otherwise have been possible.

“This Project enables nearly 4,000 new dwellings in Milldale and the infrastructure can support another 5,000 dwellings in the surrounding areas as well. It’s a big step towards meeting Auckland’s housing needs,” Phil Goff said.

Fulton Hogan Land Development has already started work on the Milldale development at Wainui, which will have nearly 4,000 homes and businesses. The infrastructure being funded will support the Milldale development and will also enable another 5,000 homes to be built nearby, with \$33.5 million funding for this being provided by Auckland Council.

Crown Infrastructure Partners has secured long-term fixed-rate debt from Accident Compensation Corporation. The SPV will be funding \$48.9 million towards the infrastructure, with the Crown contributing less than \$4 million.

The SPV funding will be repaid over time partly by Fulton Hogan Land Development and partly by section owners as an ‘infrastructure payment’ collected with Council rates bills. This new model of infrastructure financing means that long term debt can be raised through the SPV to enable the building of large scale infrastructure, which is needed to step up the rate houses being built, and to assist Councils who are nearing their debt limits.

The Milldale development will be a modern, contained urban development with green spaces and parks, a town centre, cycleways and walkways, and potentially education facilities, and will be connected to the Northern busway.

Fulton Hogan Land Development in conjunction with a joint venture partner has previously developed Millwater, on the eastern side of the northern motorway and sees Milldale as the next evolution of this urban development.

## **ENDS**

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### **Note to editors:**

- The infrastructure includes a new arterial road and bridge connecting Wainui Road to the Silverdale Interchange and Dairy Flat Highway, intersection upgrades, a roading extension and bridge to Highgate Parkway on the eastern side of the motorway, and wastewater tunnels.
- Construction on the infrastructure has already commenced (the wastewater tunnel) with the first residential sections to be released in the early new year.
- The infrastructure funding and financing pillar of the Urban Growth Agenda will enable responsive infrastructure provision and appropriate cost allocation, including

the use of project financing and access to financial capital. It aims to reform infrastructure funding and financing through:

- Providing a broader range of tools and mechanisms to enable net beneficial bulk and distribution infrastructure to be funded;
- Rebalancing development risk from local authorities to the development sector; and
- Making long term debt finance available to developers willing to take on the commercial risk, with the debt serviced by revenue from the new properties in a development.